

Title 6: Economic Development

Part 1: Financial Resources

Part 1 Chapter 19: Mississippi Air Service Development Program Guidelines

Rule 1.1 Purpose. The Mississippi Air Service Development Program Act, (“ASDP”) administered by the Mississippi Development Authority ("MDA"), is designed for making grants to commercial service airport authorities ("Authority") to aid commercial air services in achieving their goals and objectives to further enhance economic development in the State of Mississippi (the "State"). Funding for grants to an Authority is derived from state funds. The Air Service Development Program was enacted by the State Legislature during the Regular 2014 Session.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.2 Eligible Applicants. Only commercial service airports (“Grantee”) which have scheduled air carriers that hold a Federal Aviation Administration (FAA) Part 121 Certificate and that provide scheduled air service at Mississippi airports that maintain FAA Part 139 Certification may apply for funding under this program.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.3 Eligible Expenditures. The fund shall be used to provide grants to commercial service airports, as provided in this section, for one or more of the following air service development goals:

- (a) Adding air service to a new destination;
- (b) Adding frequencies to current services;
- (c) Lowering fares/introducing new competitive service;
- (d) Upgauging aircraft; and
- (e) Adding a new FAA Part 121 commercial air carrier.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.4 Eligible Projects. Eligible projects for grants shall include marketing and advertising of new service and routes and additional frequencies. For the purposes of this program, marketing and advertising is defined as development, production and placement of advertising products or promotional items. Other risk abatement plans, such as improvements to the Authority’s terminal in direct support of the new service or carrier, may be approved at the discretion of the MDA Executive Director. Use of grant funds to purchase airline passenger seats is prohibited.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.5 Grant Amounts. The amount of a grant shall be based on a formula of Ten Dollars (\$10.00) per seat per day calculation, not to exceed an annual total of Five Hundred Thousand

Dollars (\$500,000.00) per grant per airport. The calculation will be established using the air carrier's monthly activity report. In no instance will a grant exceed a combined total of Five Hundred Thousand Dollars (\$500,000.00) per year per airport.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.6 Matching Funds. Each grant shall require a forty percent (40%) match, which may be provided by private sources and/or public sources. Of the forty percent (40%) match prescribed under this subsection, only one-half (1/2) or twenty percent (20%) of the grant may derive from in-kind sources. Cash match can include discounts of standard airport fees (such as a landing fee) provided that the discounts are directly associated with the new air service or carrier. In-kind match sources may be taken from third party private or public sources; however, they must be verifiable and necessary and reasonable for proper and efficient recruitment of the new air service or carrier.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.7 Disbursements. Grants shall be disbursed by the Mississippi Development Authority within twelve (12) consecutive months as follows:

- (a) Thirty-five percent (35%) at the end of the first three (3) months of service;
- (b) Twenty-five percent (25%) at the end of the second three (3) months of service;
- (c) Twenty-five percent (25%) at the end of the third three (3) months of service; and
- (d) Fifteen percent (15%) at the end of the fourth three (3) months of service.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.8 Time Requirement for Expenditures. Each grant shall be expended within twelve (12) consecutive months from the date the grant is awarded. An airport grant recipient shall only utilize grant funds in accordance with FAA regulation.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.9 Ineligible Expenditures. Grant funds may not be used to purchase airline passenger seats.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.10 Discontinuance of Service or Route. If the air service or carrier discontinues the new service or route that was the subject of the grant during the 12-month grant period, MDA shall cease all unexpended disbursements and move to terminate the grant agreement.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.11 Conditions for Disbursement of Funds. A Grant Agreement will be executed between the Grantee and MDA. The Grant Agreement cannot be executed until all required conditions in these guidelines have been met and all documentation received.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.12 Reimbursement Process. MDA will release ASDP funds on a reimbursement basis for approved eligible costs of the project as incurred. Payments will be only paid directly to the Grantee with proof of payment of eligible costs. Funds will be released upon receipt of the ASDP Form of Requisition and supporting documentation from the Grantee. Funds may not be drawn down more frequently than ever three months.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.13 Required Reports. Applicants shall submit to MDA a final report within 45 days of the final disbursement of grant funds under the agreement. The report shall describe in full detail the results of the grant including but not limited to:

- (a) New airline added;
- (b) New destinations or additional frequency added;
- (c) New seats added to the market;
- (d) Impact on fares in the market;
- (e) Financial impact on the airport.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.14 Audit. Funds provided under ASDP are subject to audit by the State Department of Audit.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.15 Waiver. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State law.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.16 Additional Information. Program inquiries and applications should be directed to:

Mississippi Air Service Development Grant Program
Mississippi Development Authority
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-3552

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).

Rule 1.17 Application Requirement. Three (3) copies of the application must be submitted to MDA. MDA will evaluate the application to determine if the project meets the program criteria.

Source: Miss. Code Ann. §57-1-471 (Rev. 2014).